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NAFA Bulletin

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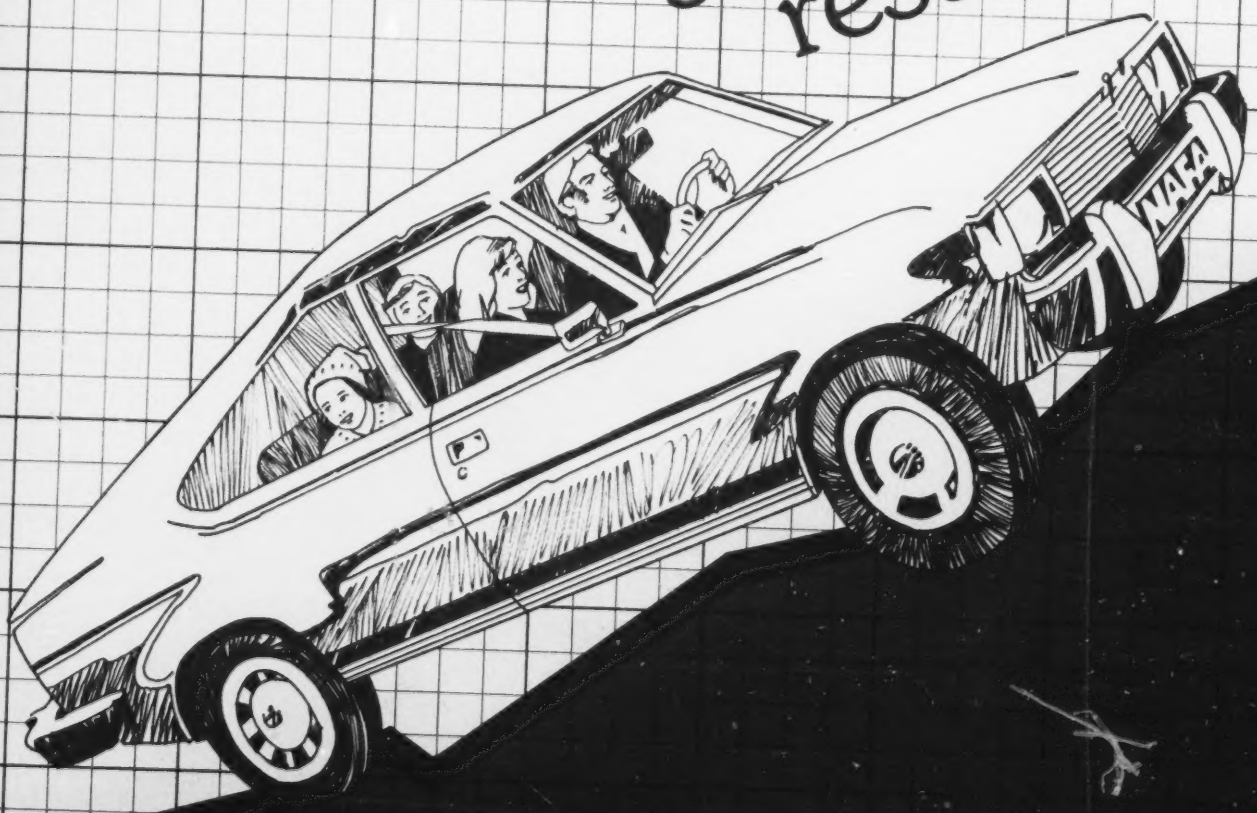
personal use survey results



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NAFA

NATIONAL ASSOCIATION OF FLEET ADMINISTRATORS, INC.
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Reimbursement and Chargebacks Climb to New Highs:

NAFA's Survey Finds Most Fleets Pay 20¢ or More

NAFA Exclusive

Reimbursement rates for the use of personally owned cars for business purposes continued to climb to new highs in 1981 while chargebacks for personal use of the company provided car also continued to rise, but at a slower rate, according to NAFA's annual personal use survey.

A total of 204 fleets operating 139,050 passenger cars participated in the 1981 survey. Included in the group were 19 Canadian fleets; 10 U.S. government fleets, and 12 U.S. public utility fleets.

Among the survey's highlights are:

- Twenty cents per mile has become almost the standard reimbursement rate for use of a personal car for business.
- For the first time since the Association started compiling data on personal use, more fleets are charging a flat monthly or weekly personal use chargeback rather than a straight mileage chargeback.
- At the same time the number of fleets collecting the personal use chargeback by means of a salary deduction has jumped dramatically — from less than one in three to more than two of every five fleets.

Drug & Cosmetic Group

The Drug & Cosmetic Group consists of 24 fleets operating 20,073 passenger cars (1,510 company owned; 18,507 leased, and 56 employee owned). Every fleet in the group permits personal use of the company-provided vehicle and only one fleet places any limitations on the number of personal miles permitted.

All but one fleet permit the company car to be driven after working hours, on weekends and holidays and all but one permit it to be used for vacation travel.

Every fleet in the Drug & Cosmetic Group charges its employees for personal use. Thirteen fleets have a straight mileage charge — four charge 12 cents a mile; three set the rate at 10 cents; two at eight cents, and one each charge 9, 11, and 13 cents a mile.

The fleets whose personal use chargeback is a flat monthly or weekly rate have these charges: $50 a month, 1; $30 a month, 1; $25 a month, 1; $20 a month, 1; $7 a week, 1; $5 a week, 1. One fleet has a rate that varies from $18 to $22 a month depending on car assignment.

Four fleets in the group base their personal use chargeback on a combination of flat rate and mileage: $50 a month plus 6 cents a mile, 1; $24 a month and 7 cents a mile, 1; $15 a month plus 7 cents a mile, 1; and $6 a week and 6 cents a mile, 1.

> ***"Reimbursement rates for the use of personally owned cars for business purposes continued to climb to new highs in 1981 while chargebacks for personal use of the company provided car also continued to rise, but at a slower rate..."***

Sixteen fleets collect for personal use by means of an expense report deduction; seven collect through a salary deduction, and one fleet that uses a combination chargeback has the mileage portion deducted from the employee's expense account, and the fixed rate deducted from the salary check.

One fleet in the group restricts personal use to the employee only; the other 23 permit the spouse to drive the company-provided car, and 19 extend the driving privilege to licensed children. Three fleets allow "others" to use the company car.

Only seven fleets in the group have set specific age limits for drivers and seven fleets charge a portion of the repair costs resulting from accidents during personal use to the employee. Three fleets said it was a dollar amount (usually $100) and three fleets said it was the "insurance deductible."

Fourteen fleets said that the employee or assigned operator was "charged" with an accident if another person was driving the company car when the accident occurred.

Use of Personally Owned Cars

The great majority of fleets in the Drug & Cosmetic Group base assignment of a company car on "job title." Only four fleets said business miles was the determining factor — two set the mileage at 10,000 miles a year; one each at 12,000 and 25,000. One fleet reported that "fringe benefit" was a consideration in assignment of a company car.

In reimbursing an employee for the use of a personally-owned car (when there is no assigned fleet car) 18 fleets in the group have a fixed mileage rate; one pays a flat dollar amount ($225 a month), and two pay a fixed amount plus mileage. In both of these fleets it is $120 a month plus 10 cents a mile. Among the fleets with a mileage reimbursement, 12 pay 20 cents a mile; 2 pay 17 cents; and one each pay, 18¼; 18½; 21; 25 and 30 cents a mile.

When the assigned fleet car is not in service and the employee uses a personally owned car, every fleet in the group reimburses on a mileage basis. Again, 20 cents a mile is the most frequently used rate — 13 fleets. The others (one each) pay 12 cents; 17 cents; 18¼; 18½; 19 cents; 21, and 25 cents a mile.

Compensation for Loss of Car

Eight fleets in the Drug & Cosmetic group said that they make a one time payment to compensate employees for the loss of the vehicle when they are no longer eligible for a company provided car. Three fleets pay the value of a one year old car; one each pay $5,100 net; $3,200, $4,000. Two fleets give the employee $1,500, and one fleet gives him a choice of retaining the car for 24 months and paying the taxes on the imputed value of the car or getting $1,400 plus $100 a month for 24 months with an option to buy.

Eleven fleets offer the car to the employee if he is transferred or promoted to a position that doesn't call for assignment of a company car. Seven set the price at "wholesale market value." One each say they will sell the car for "clean wholesale or lease book value; AMR; book value, and AMR minus 5 percent.

Food & Beverage Group

The Food & Beverage Group consists of 17 fleets operating 9,729 passenger cars (3,208 company owned and 6,521 leased vehicles).

Every fleet in the group permits personal use of the company provided car after working hours, on weekends, holidays, and vacations. One fleet places an unspecified limit on personal use, defining it merely as "use good judgement."

Every fleet but one charges for the personal use of the company provided vehicle. Eight fleets assess a straight mileage charge — two each charge 8 and 10 cents a mile; one each charges 9 and 13 cents a mile. While one fleet charges "fuel only."

Personal Use Chargebacks
For Fleets Using A Straight Mileage Charge
U.S. Commercial Fleets Only

Amount	1978	1979	1980	1981
7¢ or less	47%	16%	14%	2%
8, 9 or 10¢	35%	63%	44%	43%
More than 10¢	18%	21%	42%	55%

Seven fleets have a flat weekly or monthly charge for personal use. They include $35 a month by two fleets. Others (one each) charge $65 a month; $25 a month; $8 a week, and $3 a week. In one fleet the charge ranges from $25 to $50 a month depending on car assignment. Two fleets in the group use a combination charge of a flat rate plus mileage. In one fleet it is $20 a month plus 5 cents a mile; in the other it is $30 a month plus 10 cents a mile for all mileage over 300 miles.

Nine fleets in the group collect the personal use chargeback through an expense report deduction; seven collect it by means of a salary deduction.

Every fleet in the group permits the company car to be driven by both the employee and spouse. Eleven fleets permit use by licensed children, while one fleet extends the driving privilege to "others" if they are company employees.

"Twenty cents per mile has become almost the standard reimbursement rate for use of personal car for business."

Eight fleets have set minimum age limits for driving the company car, but only two charge the employee for repair costs of an accident that occurs during personal use. One fleet charges a fixed share "if the accident was found to be preventable," while the other assesses the insurance deductible to the employee.

Ten fleets in this group "charge" the employee with an accident if another person was driving the company car when the accident occurred.

Use of Personally Owned Cars

Within the group the majority of fleets report that company car assignment is based on job title, but four fleets require a specific number of business miles to be driven in a year — 15,000 miles, 1 fleet; 17,000, 1; and 20,000 miles a year, 2. Four fleets said "fringe benefit" was a consideration in company car assignment.

Reimbursement for use of a personally owned car (when there is no assigned fleet car) is based solely on a mileage rate in all but one fleet. Eight fleet managers reported the rate was 20 cents a

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Personal Use Survey Results

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mile; one each said it was 19 and 21 cents. One fleet paid a fixed amount of $310 a month.

When the assigned fleet car was not in service, every fleet in the group reimburses the employee for use of a personally owned car on a straight mileage basis. Seven fleets pay 20 cents a mile; two fleets pay 21 cents; and one each pays 15 and 19 cents a mile.

Compensation for Loss of Car

Five fleets in the Food & Beverage Group provide direct compensation to an employee who is no longer eligible for a company car. Each of the five has its own formula: $4,000; $3,000 before taxes; two months salary up to a maximum of $6,000; one year's operating expenses, and $2,300 less tax, plus an additional $300 a year added to the employee's salary.

Four fleets offer to sell the car to an employee who is no longer eligible to have one. The prices range from "wholesale value," "depreciated value at 2 percent plus $300;" "book value," and "10 percent below AMR."

Insurance Group

The Insurance Group is represented by 38 fleets operating 38,496 passenger cars (22,995 company owned; 14,043 leased, and 1,458 employee owned).

Every fleet in the group permits personal use of the company provided vehicle after working hours, on weekends and holidays, and on vacations. Six fleets place limits on the amount of personal use permitted. These limitations vary from 10 percent of business miles to under 500 miles on vacation travel. Others merely state "reasonable."

Every fleet in the Insurance Group except one charges for personal use. Fifteen have a straight mileage chargeback — four fleets charge 14 cents a mile; two each charge 10 and 17 cents a mile; one each set the rate at 8, 12, 12½, 13, 15, 16, 17½ cents a mile.

Reimbursement For Use Of Personal Car Mileage Only

(No Assigned Fleet Car)

U.S. Commercial Fleets Only

Rate	1977	1978	1979	1980	1981
15¢ or less	72%	64%	19%	3%	1%
16¢ a mile	6%	5%	3%	—	—
17¢ a mile	10%	24%	45%	17%	3%
18¢ a mile	3%	2%	22%	19%	8%
19¢ a mile	9%	6%	11%	7%*	2%
20¢ a mile	**	**	**	43%	68%
More than 20¢ a mile	**	**	**	11%	17%

NOTES:

*** Includes only those mentioning 19¢ a mile specifically; in earlier surveys it included all fleets paying 19¢ a mile or more.**

**** Not broken out in surveys for those years.**

Reimbursement For Use of Personal Car Mileage Only

(Assigned Fleet Car Not In Service)

U.S. Commercial Fleets Only

Rate	1977	1978	1979	1980	1981
15¢ or less	74%	66%	13%	4%	3%
16¢ a mile	7%	8%	4%	—	—
17¢ a mile	9%	23%	53%	15%	3%
18¢ a mile	—	2%	21%	20%	9%
19¢ a mile	9%	2%	9%	6%*	3%
20¢ a mile	**	**	**	43%	66%
More than 20¢ a mile	**	**	**	11%	17%

NOTES:

*** Includes only those mentioning 19¢ a mile specifically; in earlier surveys it included all fleets paying 19¢ a mile or more.**

**** Not broken out in surveys for those years.**

Fourteen fleets have a flat weekly or monthly charge for personal use of the company car. Three fleets charge $50 a month; two charge $25 a month. Other rates (by one fleet each) are $30 a month; $33 a month; $28 a month; $20 a month; $20/$25 a month. Weekly charges include $8 a week and $20 a week. One fleet charges $720 a year.

Seven fleets have other methods of charging for personal use. They include one fleet that varies its charge from 15 to 18 cents a mile depending on the employee's safe driving record. Combination of flat charges and mileage rates include $39 a month plus 13 cents a mile over 300 miles a month; $5 to $20 a month plus 20.9 cents a mile; $40 a month plus 9 cents a mile over 100 miles each month; $30 a month plus gas and oil; $10 a month plus 10 cents a mile, and $35 a month plus 12 cents a mile.

Within the Insurance Group, 19 fleets collect the personal use chargeback through an expense report deduction; 11 fleets use a salary deduction. Three fleets add the personal use chargeback to the employee's W-2 form as additional income, while one fleet treats the "cost of personal miles on the payroll as a bonus for tax purposes but does not apply toward retirement."

One fleet in the insurance group restricts personal use to the employee only; every other fleet permits the employee and spouse to drive the company car; 12 fleets extend the driving privilege to licensed children, and three permit "others" to use the car.

Nine fleets in the group have set minimum age limits for driving privileges and 16 charge the employee some portion of the repair costs resulting from accidents that occur during personal use. One

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Personal Use Survey Results

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fleet charges the full amount; seven have a dollar amount (usually either $50 or $100) while 8 fleets charge the "insurance deductible."

Twenty fleets in the Insurance Group "charge" the employee with an accident if another person was driving the car when the accident occurred.

Use of Personally Owned Cars

In assigning company cars to employees, 19 fleets in the Insurance Group reported that business miles driven was a determining factor. The most often mentioned figure was 12,000 miles a year (9 fleets). Three fleets said their requirement was 15,000 miles; two each said it was 10,000 and 20,000 miles, while one each said it was 8,000, 6,500, and 6,000 miles a year.

Two fleets reported that time spent in the field and the use of a car during a week (3 times a week) were factors in company car assignment. The other fleets in the group said job title determined car assignment.

To reimburse employees who drive their personally owned cars on business (when there is no assigned fleet car) 33 fleets used a straight mileage fee. In 22 fleets it is 20 cents a mile; three fleets each pay 18 and 21 cents a mile. Other reimbursement rates are (each by one fleet): 17 cents; 22½; 23, and 31. One fleet pays $270 a month plus 10 cents a mile. Three fleets have a graduated scale for reimbursement. In one it is 18 cents for the first 2,400 miles and 20 cents for the next 5,600 miles; another pays 22 cents for the first 10,000 miles and 17 cents for all additional mileage; the third 22 cents for the first 10,000 miles, 18 cents for the next 5,000 miles, and 10 cents for any additional mileage.

Reimbursement for employees who drive their personally owned cars when an assigned fleet car is not in service is completely on a mileage basis. In 20 fleets the reimbursement rate is 20 cents a mile. Four fleets pay 18 cents; three pay 21 cents; two pay 22 cents. Other reimbursement rates are 10 cents, 1; 17, 1; 18½, 1; 22½, 1; 23, 1; and one fleet pays 31 cents a mile.

Compensation for Loss of Car

Seventeen fleets in the group provide cash compensation for employees who are no longer eligible to have an assigned company car. Four fleets said the payment was $1,500; three said it was $1,200, and two each set it at $2,500 and $2,000. Other payments, each by one fleet, are $1,000; $1,800 and $7,500. One fleet pays two-thirds of one month's salary; another pays $600 plus six cents a mile times all the personal miles driven in the previous 12 months. One fleet reported it paid employees $7,500 or the AMR wholesale clean value of the car, while another fleet permitted the employee to continue the lease at a rate of $175 a month.

Thirteen fleets in the group reported they would sell the company provided fleet car to an employee who was no longer eligible to have one. In most cases the price was NADA average trade minus 25 percent; another said it was the book value computed at two percent depreciation per month. One fleet said it would "sell the car at Redbook wholesale and finance a 24 month interest free loan."

Chemical & Petroleum Group

The Chemical & Petroleum Group segment of the 1981 personal use survey consists of 22 fleets operating 19,974 passenger cars (7,424 company owned; 12,416 leased, and 134 employee owned).

Four fleets in the group do not permit personal use of the company provided car. The other 18 respondents permit the personal use of the car after working hours and on weekends and holidays. Two fleets do not permit the company car to be used for vacation travel. The policy statement on personal use of one fleet states, "Vehicles are provided to employees for the performance of their business responsibilities and not for their personal use or convenience. Personal use, if any, of a company vehicle is restricted to occasional domestic needs within the employee's community only."

Of those fleets that do permit personal use, all but one charge for such personal use. Eight fleets have a straight mileage chargeback. Two fleets charge 8 cents a mile, while one each have a chargeback of 10, 11, 12, 13, 16, and 23 cents a mile. Five fleets have a flat monthly or weekly assessment for personal use. The rates are $20 a month; $35 a month; $39 a month; $50 a month, and $60 a month. Two fleets have a combination chargeback. In one fleet it is $55 a month plus insurance premium; in the other it is 10/12 cents a mile plus $20/25 a month.

In collecting the personal use chargeback, eight fleets use an expense report deduction; five have a salary deduction plan; three add the amount to the employee's W-2 form as additional income at the end of the year; one fleet asks the employee to pay by check to the company.

Four of the 18 fleets that permit personal use of the company car restrict such use to the employee alone. Fourteen fleets permit both the employee and spouse to use the car, and six fleets extend the driving privilege to licensed children. No fleet in the group permits "others" to use the vehicle.

Three fleets in the group at least a portion of the repair costs resulting from an accident during personal use to the employee. In two fleets it is the full amount, while in the third fleet it is the "insurance deductible."

Use of Personally Owned Cars

Thirteen fleets in the group have established a minimum number of business miles to be driven before a company car is assigned to an employee. Four fleets each set the number at 12,000 and 15,000 miles year. Two fleets require 20,000 miles, while one each have a requirement of 8,000, 10,000 and 18,000 business miles a year.

One fleet states that an employee must need a car 50 percent of the time before one is assigned; another fleet gives as the requirement "frequent need."

In reimbursing employees for the use of a personally owned car for business, when there is no assigned fleet car, every fleet but two uses a straight mileage rate. In 15 fleets the rate is 20 cents a mile. The other fleets (one each) pay 18 cents; 19; 22; 23, and 28.2 cents a mile. One fleet pays $195 a month plus the cost of fuel, and one fleet has a graduated scale of 20 cents a mile for the first 900 miles driven in a month and 11 cents a mile for any additional mileage.

"For the first time since the Association started compiling data on personal use, more fleets are charging a flat monthly or weekly personal use chargeback rather than a straight mileage chargeback."

The reimbursement rate for use of a personal car when the fleet car is not in service is on a straight mileage basis in all fleets. In 14 fleets the rate is 20 cents a mile. The other fleets in the group (one each) pay 17, 19, 22, 23, and 28.2 cents per mile. One fleet pays 20 cents for the first 900 miles and 11 cents for additional mileage.

Three fleets in the group have specific policies for compensating an employee who loses eligibility for a company car. In one fleet it is a $4,800 per year salary increase; another fleet offers an interest free loan up to a maximum of $7,500; a third fleet says its salary increase ranges from $1,000 to $2,500. Several fleets said they have a compensation policy but that it "varied" according to employee.

Five fleets in the Chemical & Petroleum Group said they would sell the car to an employee who was no longer eligible to have one assigned. The prices were AMR; 75 percent of the wholesale price; 80 percent of AMR; 90 percent of AMR, and the "higher of book value or Black Book average."

Manufacturing-Industrial Group

The Manufacturing-Industrial Group segment of the personal use survey consists of 31 fleets operating 19,212 passenger cars (1,273 company owned; 16,556 leased, and 1,383 employee owned).

Every fleet in the group permits personal use of the company provided car after working hours and on weekends and holidays. Two fleets do not permit the company car to be used for vacation travel. Three fleets within the group place some limitation on personal use — in one fleet it is 300 miles per month, while another's policy is to limit vacation travel to no more than 1,000 miles.

Twenty-four fleets in the group charge for personal use of the company car; seven do not charge. Only four fleets in the group have a straight mileage chargeback — one fleet each charged 8, 10, 12, and 13½ cents a mile.

Fourteen fleets have a flat monthly or weekly chargeback system. Two fleets charge $50 a month. Every other fleet assesses a different rate: $10 a week; $15 bi-weekly; $40 a month; $45 a month; $20 a week; $20 a month; $35 a month; $25 a month; $65 a month, and $125 a month. In two fleets the monthly charge depends on the assigned car — either $55 or $65 a month in one while in the other it ranges from $40 to $155 a month.

Five fleets in the group have a dual chargeback of both mileage and a basic flat rate. In one fleet it is $65 a month plus 13 cents a mile after 600 miles a month; another charges $48 a month and 11 cents a mile for driving beyond a 50 mile radius; other charges include $60 a month plus gasoline; $15 a week plus gasoline; $65 a month plus 5 cents a mile.

In collecting the personal use chargeback, seven fleets in the group use an expense report deduction; 13 make a salary deduction, while five fleets use both methods, with the fixed charge as a salary

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Federal Government Reduces Reimbursement Rate

The average cost of operating a privately owned automobile on government business is 20 cents per mile, according to the General Services Administration. As a result of this finding, GSA has reduced its reimbursable rate from 22.5 cents to 20 cents per mile.

The Federal government is required by the Travel Expense Amendments Act of 1975 (Public Law 94-22) to periodically investigate the cost of travel and the operation of privately owned vehicles (automobiles, motorcycles, and airplanes) to employees while engaged on official business, according to W.M. Wilson, Chairman of NAFA's Government Relations Committee.

In announcing the cut in the reimbursement rate for use of privately owned automobiles, GSA stated, "The lower automobile operating cost is primarily a result of our having changed our automobile cost study methodology. Recently we decided to adopt as the basis for GSA's automobile cost investigation, a study on the cost of operating privately owned automobiles prepared for the Internal Revenue Service by Runzheimer and Company, Inc."

GSA added, "We estimate that this reduction in the mileage rate will result in approximately $25 million less in government mileage reimbursement expenses."

Personal Use Survey Results

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deduction and the mileage charge as an expense report deduction. One fleet in the group adds $480 a year to the employee's W-2 form as additional income.

One fleet in the manufacturing-industry group limits personal use of the company provided car to the employee only; the others permit both the employee and spouse to drive the vehicle; 13 fleets extend the driving privilege to licensed children, and five permit "others" to drive the company car.

Fourteen fleets in the group have minimum age limits for use of the company car — three specific ages were mentioned: 18, 21, 25, with the highest (25) being the most frequent.

Twelve fleets in the group require the employee to pay a portion of the repair costs resulting from accident during personal use. Seven fleets said it was a dollar amount — usually $100 — while five said it was the "insurance deductible."

Seventeen fleets reported that the employee was "charged" with an accident if another person was driving the company car when the accident occurred.

Use of Personally Owned Cars

Sixteen fleets in the group said business mileage was one of the factors in determining assignment of company cars. Five fleets put the minimum at 12,000 miles; three said 10,000 miles a year; two each put it at 15,000 and 20,000; while one fleet each set the requirement at 18,000; 24,000; 25,000, and 30,000 miles a year.

In reimbursing an employee for use of a personally owned car, when there was no assigned fleet car, 22 fleet used a straight mileage rate; two paid a fixed amount plus mileage; two employ a graduated scale, and one said it used a "Runzheimer" schedule.

Among the fleets reimbursing on a straight mileage rate, 16 pay 20 cents a mile; two fleets each pay 18 and 21 cents a mile; the others pay 4, 22, 23, and 25 cents a mile.

One fleet with a graduated scale for reimbursement paid 17 cents for the first 200 kilometers and 15 cents for all succeeding mileage. The other fleet pays 20 cents for the first 1,000 miles and 11 cents additional mileage per month. The fleet with a fixed allowance plus mileage pays 7.5 cents per mile plus $133 a month.

In reimbursing employees for the use of a personal car when the assigned fleet car is not in service, all but two fleets used a straight mileage payment. Sixteen fleets pay 20 cents a mile; two each pay 18; 18½, and 21 cents a mile. The others (one each) pay 4 cents; 22, 23, and 25 cents a mile.

Only one fleet in the group reported that it made a cash payment to an employee who no longer was eligible to have a company car; the amount is $3,500. One other fleet reported that it permitted the employee to use the leased car for one year or until the end of the lease, whichever came first.

Eleven fleets reported they will sell the car to an employee who is no longer eligible to have one assigned. Three fleets set the price at "book value;" two said "AMR clean." In the other cases, it was "current AMR," 50 percent of book value, NADA wholesale, and in one case, simply "below market value."

Manufacturing-Consumer Group

The Manufacturing-Consumer Group of the personal use survey consists of 23 fleets operating 14,029 passenger cars (6,983 company owned; 5,974 leased, and 1,072 employee owned).

Every fleet in the group permits personal use of the company-provided car after working hours, on weekends and holidays. Only one fleet does not permit the company car to be used for vacation travel. Three fleets in the group place some limits on personal use — in two cases the limits deal with vacation travel; a limit of 1,000 miles in one fleet and the approval of the regional manager in the other. The third fleet states only that personal use should be "reasonable."

"... fleets collecting the personal use chargeback by means of a salary deduction has jumped dramatically — from less than one in three to more than two of every five fleets."

Two fleets in the group do not charge for the personal use of the company car; 21 do. Nine fleets have a straight pennies per mile chargeback; seven use a flat weekly or monthly rate, while three have a combination of both, and two fleets add the chargeback to the employee's W-2 form as additional taxable income.

Among the fleets with a mileage chargeback, three charge 10 cents a mile; one each charge 7, 12, 12½, 13½ and 14 cents a mile. Every fleet with a flat rate has a different one — $54 a month, $45 a month, $10 to $25 a month, $30 a month, $40 a month, and one fleet with a graduated scale of $5, $10, or $12 a week, "based on driver status."

The fleets with combination chargebacks fixed them at $6 a week plus 11 cents a mile and $20 a month plus 13 cents a mile over 200 miles a month.

Ten fleets collected the chargeback through an expense report deduction; seven use a salary deduction, while three fleets add the personal use chargeback to the employee's W-2 form.

Two fleets in the group restrict personal use of the company car to the employee; all others permit both the employee and spouse to drive the car. Eleven fleets in the group permit personal use by licensed children, and three fleets extend the driving privilege to "others".

Eight fleets in the group have minimum age limits for use of the company vehicle; in most cases it is 21 years of age.

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Personal Use Survey Results

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Eight fleets in the manufacturing-consumer group charge the employee a portion of repair costs resulting from accidents occurring during personal use. In four fleets it was a dollar amount, either $50 or $100; in four fleets it was the "insurance deductible," although one fleet stated that the employee paid "the full amount if driver was at fault."

Use of Personally Owned Cars

Seven fleets in the group use business miles driven as a factor in determining assignment of a company car. In two cases each it was 12,000 and 15,000 miles a year. In the other fleets the required business mileage was 6,000; 13,000, and 18,000 miles a year. Although a majority of the fleets in the group said "job title" was the basic determining factor in car assignment, five fleets added that it was also considered a fringe benefit.

In reimbursing employees for the use of a personally owned car on business when there was no assigned fleet car, every fleet but two based its payment on a straight mileage rate. In 14 fleets the reimbursement rate was 20 cents a mile. In the others it was (in one each) 15; 18, 22, 22½, and 25 cents a mile. Two fleets reimbursed their employees a fixed amount plus mileage — in one it was $187 a month plus 20 cents a mile; in the other it was $225 a month plus 9½ cents a mile.

In reimbursing employees for use of a personally owned car for business when the assigned fleet car was not in service, every fleet in the group used a straight mileage rate. In 16 fleets it was 20 cents a mile. Other reimbursement rates mentioned (each by one fleet) were 18; 22, 22½, and 23 cents a mile.

Six fleets in the group reported that they made a cash payment to an employee who because of promotion or transfer was no longer eligible for a company car. One fleet said the amount was $2,500; another said "$5,000 gross;" another put it at "AMR value of a one year old car," while one fleet said there was a salary increase of the monthly lease charge plus 33 percent.

Four fleets in the group said they would sell the car to the employee who was no longer eligible to have one assigned. The prices varied from "residual value" to "AMR" to "wholesale less $500."

Others

There are eight fleets in the small group that do not fit into the other segments of survey responses. They operate a total of 1,294 passenger cars (597 company owned, 697 leased).

Six of the eight fleets permit personal use of the company car after working hours, on weekends and holidays, and on vacations. None of the fleets permitting personal use place any limits on such use.

Four of the six fleets permitting personal use levy a charge for non-business driving; two fleets have no charge. All four fleets that do charge have a flat monthly or weekly rate. The chargebacks are: 15 percent of the lease cost per month; $11 a week; $60 per month; and 3/14 of the lease rate without tax plus $40 a month.

Three of the four fleets collect their chargeback through a salary deduction; the other has an expense report deduction program.

All six fleets permit both the employee and spouse to drive the company provided car; only one fleet extends the privilege to children. One fleet in the group charges the "insurance deductible" to the employee when there is an accident that occurs during personal use.

Use of Personally Owned Cars

Three fleets in the group reported that business mileage was a factor in determining assignment of a company car. In one fleet it was 15,600 miles a year; in another it was 20,000, and a third said the

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Summary of Survey Responses

Group	Number of Fleets	Total Number of Cars	Company Owned	Leased	Employee Owned
Drug & Cosmetic	24	20,073	1,510	18,507	56
Food & Beverage	17	9,729	3,208	6,521	—
Insurance	38	38,496	22,995	14,043	1,458
Chemical & Petroleum	22	19,974	7,424	12,416	134
Manufacturing-Industrial	31	19,209	1,270	16,556	1,383
Manufacturing-Consumer	23	14,029	6,983	5,974	1,072
Other	8	1,294	597	697	—
Public Utility	12	4,912	4,036	361	515
Government	10	7,313	6,830	383	100
Canada	19	4,021	2,004	2,017	—
Total	204	139,050	56,857	77,475	4,718

Personal Use Survey Results

(Continued from page 14)

minimum was 10,000 business miles. One fleet responded that the criteria was "need for a vehicle to perform job."

Seven of the eight fleets in the group reimburse an employee for the use of a personally owned car (when there is no assigned company car) on a straight mileage basis. Three fleets pay 20 cents a mile; one each pay 17, 18, 19 and 23 cents a mile. One fleet reported that it reimbursed its employee on a "Runzheimer" schedule.

In reimbursing an employee for the business use of a personally owned car when the fleet car is not in service, seven fleets paid on a mileage basis. Three pay 20 cents a mile; one each pay 17, 18, 19, and 23 cents a mile. One fleet pays a combination of fixed amount plus mileage.

No fleet in the group makes a compensatory payment to an employee who loses eligibility for a company provided vehicle. Two fleets do offer the employee an opportunity to purchase the fleet car in such a situation. One fleet charges the "payoff price;" the other "fair market value."

Public Utility Group

The Public Utility Group is represented by 12 fleets operating 4,912 passenger cars (4,036 company owned; 361 leased, and 515 employee owned).

Five of the 12 fleets in the group permit personal use of the company car after working hours and on weekends and holidays. Two fleets, in addition, permit personal use of the company car on vacations. None of the five fleets permitting personal use place any limitations on such use.

All five fleets charge for the personal use of the company car. One fleet uses a mileage chargeback — 7 cents a mile. Two fleets have a flat monthly chargeback. In one case it is $35 a month; in the other it ranges from $75 to $95 a month.

One fleet collects through an expense report deduction; two others have a salary deduction, while a fourth adds the personal use chargeback to the employee's W-2 form as additional income at the end of the year.

Four of the five fleets permitting personal use restrict such use to the employee alone. One fleet permits the employee's spouse and licensed children to drive the company-provided vehicle.

One fleet in the group charges a portion of the repair costs resulting from an accident occurring during personal use to the employee — $200.

Use of Personally Owned Cars

In determining assignment of a company car, most of the public utility fleets use business miles as a factor. In five fleets the minimum number of miles required is 12,000. One fleet each requires the employee to drive 5,000; 6,000, and 18,000 miles to be eligible for a company vehicle.

In reimbursing an employee for business use of a personally owned car when there is no assigned fleet vehicle, all but two fleets pay on a straight mileage basis. In five fleets the rate is 20 cents a mile. One fleet each pays 18½; 20½, 21, and 22 cents a mile. One other fleet pays on a graduated scale of 20 cents a mile for the first 15,000 miles and then 11 cents a mile for additional driving. One fleet in the group pays 27 cents a mile for the first 250 miles, or $115 a month plus 16 cents a mile when the car is driven more than 250 miles a month.

In reimbursing employees for the use of a personally owned car when the assigned fleet vehicle is not in service, every public utility fleet in the survey uses a straight mileage rate. In six fleets the rate is 20 cents a mile; in one each it is 18½; 21, and 27 cents a mile.

None of the 12 fleets in the public utility group makes a compensatory cash payment to an employee who loses eligibility for a company car and none of the fleets in the group offer to sell the car to the employee who loses the privilege of using it.

Government Group

The Government Group participating in the personal use survey consists of 10 fleets operating 7,281 passenger cars (6,830 agency owned; 351 leased, and 100 employee owned).

Only one fleet in the government group permits any personal use of the assigned agency car; this agency places no limit on the personal miles driven, and makes no charge for such use.

Driving the government-provided car is restricted to the employee only.

Most government fleets assign cars on a permanent basis on the employee's job title, however, two fleets in the group do have minimum business miles driven as a factor in car assignment. In both cases, it is 12,000 miles a year.

Every fleet in the government group that reimburses an employee for the business use of a personally owned car when there is no assigned fleet car uses a straight mileage rate. In two fleets the rate is 20 cents a mile; one fleet each pays 17, 18½, 21, and 22½ cents a mile. One fleet reported it did not reimburse the employee for such use.

In the cases when an assigned fleet car is not in service, the government agencies once again reimburse for the use of a personally owned car on a mileage basis. In three fleets the rate is 20 cents a mile; in two fleets it is 18½ cents; in one each it is 17 and 22½ cents a mile.

None of the government fleets offers any compensation to an employee who because of transfer or promotion loses eligibility for an agency provided vehicle.

One government agency (a county) described its policy covering fleet cars in this manner: "There are three basic types of county provid[illegible] transportation for staff use:

"Agency assigned — cars assigned to agencies based on job requirements for daily needs. Vehicles may be assigned within an agency to individuals that require full-time or substantial field work.

These cars must be returned to the work location or a county facility at the end of the work day.

"Take Home — Vehicles that may be taken home evenings and weekends by individuals who are on 24-hour call.

"Motor Pool — A small fleet of cars available to all agencies for intermittent or sporadic transportation requirements where full time assignment is not justified."

Canada

The Canadian segment of the personal use survey consists of 19 fleets operating 4,021 passenger cars (2,004 company owned and 2,017 leased).

Every fleet in the group permits personal use after working hours and on weekends and holidays. Only one fleet doesn't permit the company car to be used for vacation travel.

Three Canadian fleets do not charge for personal use; the other 16 do. The personal use charges vary widely among these fleets. Two of them have a straight mileage chargeback — six and nine cents a mile. One fleet permits 480 free kilometers per month then assesses a charge of 10 cents per kilometer.

Eight fleets have a flat monthly or weekly personal use chargeback. The fleets set the rate at $40 a month. One charge 2.5 percent of the car's capitalized cost per month; another charges one percent of the purchase value per month; another charges one-third of the lease cost (rent only) per month. One fleet charges $30 a month; another $90 a month; another $6.50 a week.

Three fleets assess combination chargebacks of a flat rate plus a mileage rate. In one fleet it is $50 a month plus 8 cents a kilometer; in another it is 7.5 cents a kilometer with a minimum charge of $5.25 a week. One other fleet charges $3 a week plus the cost of fuel for weekend and vacation travel.

One fleet in the group restricts personal use of the company car to the employee alone. The others extend the driving privilege to both the employee and spouse, and in 15 fleets the privilege is also given to licensed children. Four fleets permit the company vehicle to be driven by "others" — usually interpreted to mean members of the immediate family.

Twelve fleets in the Canadian group charge the employee a portion of repair costs resulting from

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PERSONAL USE SURVEY SUMMARY

	U.S. Comm. Fleet Totals (165)		Drug & Cosmetics (24)		Food & Beverage (17)		Insurance (38)		Chemical & Petroleum (22)		Mfg. Industrial (31)		Mfg. Consumer (23)		Other (8)		Public Utility (12)		Government (10)		Canada (19)	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Employees Permitted Personal Use of Car?	157	6	24	—	17	—	38	—	18	4	31	—	23	—	6	2	5	7	1	9	19	—
After working hours	157	—	24	—	17	—	38	—	18	—	31	—	23	—	6	—	5	—	1	—	19	—
Weekends & Holidays	157	—	24	—	17	—	38	—	18	—	31	—	23	—	6	—	5	—	1	—	19	—
Vacations	151	6	23	1	17	—	38	—	16	2	29	2	22	1	6	—	2	3	—	1	18	1
Limits on Personal Use	15	142	1	23	1	16	6	32	1	17	3	28	3	20	—	6	—	5	—	1	—	19
Charge for Personal Use	143	14	24	—	16	1	37	1	17	1	24	7	21	2	4	2	5	—	—	1	16	3
Mileage Charge	58	—	13	—	7	—	15	—	10	—	4	—	9	—	—	—	1	—	—	—	4	—
Flat Charge	60	—	7	—	7	—	16	—	5	—	14	—	7	—	4	—	4	—	—	—	10	—
Both or Other	25	—	4	—	2	—	6	—	2	—	6	—	5	—	1	—	—	—	—	—	2	—
Collect for Personal Use																						
Expense Report	70		16		9		19		8		7		10		1		1		—		6	
Salary Deduction	52		7		6		11		5		13		7		3		3		—		9	
Other	21		1		1		7		4		4		4		—				—		1	
Use Permitted by:																						
Employee Only	9		1		—		1		4		1		2		—		4		1		1	
Employee & Spouse	148		23		17		37		14		30		21		6		1		—		18	
Employee & Children	72		19		11		11		6		13		11		1		1		—		15	
Employee & Others	15		3		1		3		—		5		3		—		—		—		4	
Age Limits Set	53	102	7	16	8	9	9	28	7	11	14	17	8	15	—	6	3	2	1		7	12
Repair Costs Paid For By Employee	50	107	7	17	2	15	16	22	3	15	12	19	9	14	1	5	2	3	—	1	12	7
Full Amount	3		—		—		1		2		—		—		—		—		—		—	
Fixed Share	1		—		1		—		—		—		—		—		—		—		—	
Dollar Amount	21		3		—		7		—		7		4		—		2		—		4	
Insurance Deductible	25		4		1		8		1		5		5		1		—		—		8	
Employee Charged for Accident	83	74	14	10	10	7	20	18	3	15	17	14	18	5	1	5	1	4	1	—	12	6

Pittsburgh Chapter Donates $1,166 to Home for Crippled Children

This past August, the Pittsburgh Chapter held its annual Golf Outing at the Edgewood Country Club in Pittsburgh, PA. Because the golf outing is held in the same fashion each year, Patricia Tarabek, past chapter chairman, and Richard McNelis, program committee representative, decided to make this outing something innovative as well as productive.

Therefore, a NAFA Charity Fund was initiated and contributions were requested, rather than the usual gifts and door prizes. The D.T. Watson Home for the Crippled Children was the recipient of this year's charity. "A check in the amount of $1,166.00 was presented to them," Richard McNelis said.

Richard McNelis, LMV Leasing, Inc., presents Nancy Merrill, Community Relations Director, D.T. Watson, Home for Crippled Children, with check. Seated is Betty Patsko, fleet administrator, Koppers Company.

The golf "scramble" was enjoyed by 21 foursomes. The dinner that followed was attended by 105 chapter members, friends, and out-of-town guests.

Everyone participating in the day's events had the feeling of a day "well spent."

Personal Use Survey Results

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an accident that occurs during personal use of the company car. In three fleets it is a dollar amount, ranging from a low of $50 to a high of $350. In the other fleets it is the "insurance deductible."

Twelve fleets also "charge" the employee with an accident if another person was driving the company car when the accident ocurred.

Use of Personally Owned Cars

Most of the Canadian fleets represented in the personal use survey assign company cars on the basis of job title. However, four fleets stated they had a minimum business mileage requirement. It varied from 8,000, 10,000, 15,000, and 18,000 miles.

In compensating employees for the use of a personally owned car (when there is no assigned fleet car) every Canadian fleet except one used a straight mileage reimbursement. A number of the Canadian fleets expressed their reimbursement rate in kilometers (a kilometer is .621 of a mile). There was no overall pattern among the Canadian fleets as there was among the U.S. fleets where 20 cents a mile was the predominant rate. The rates paid by Canadian fleets were 25 cents per mile, two fleets: 29 cents, two fleets, and 27 cents (17 cents per kilometer), two fleets. Other rates quoted were 16 cents per kilometer; 20 cents a mile; 23 cents a mile; 24 cents a mile (15 cents per kilometer); 26 cents, 31, and 32 cents a mile. The one fleet with a combination reimbursement paid $220 a month plus 8 cents a mile.

In reimbursing employees for business use of a personal car when an assigned fleet car was not in service, once again the Canadian fleets did not show the consistency apparent in U.S. sales and service fleets.

Two fleets each paid 25 and 29 cents a mile. Every other fleet had its own reimbursement rate: 16 cents per kilometer; 20 cents; 22; 24; 26; 27; 28.8; 30; 31, and 32 cents per mile.

Three of the participating Canadian fleets reported they made a one time cash payment to an employee who because of transfer or promotion lost eligibility for a company car. In one fleet it was merely "a one time payment;" in another it was $1,500 less taxes; in the third it was $2,000. Several fleets indicated that value of the car was taken into consideration in the employee's new remuneration package.

Six fleets in the group said they gave the employee an opportunity to buy the car upon transfer or promotion. In four fleets the price was set at "book value." In one case it was "AMR less mileage, less 15 percent for reconditioning," and in the last instance it was based on the "Black Book" value. ■

NOTE

ONLY THE FOLLOWING PAGES OF THIS

PUBLICATION HAVE BEEN FILMED

Cover 1, Cover 4, 15-16,

18, 20.